

# Xantus Healthplan of Tennessee, Inc.

(formerly Phoenix Healthcare of Tennessee, Inc.)

| <b>STATISTICS</b>                               | <b>Year<br/>Ending<br/>12/31/98</b> | <b>Year<br/>Ending<br/>12/31/99</b> | <b>Year<br/>Ending<br/>12/31/00</b> | <b>Year<br/>Ending<br/>12/31/01</b> |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| TennCare Enrollees at the beginning of the year | 173,430                             | 178,299                             | 148,748                             | 135,807                             |
| TennCare Enrollees at the end of the year       | 178,299                             | 148,748                             | 135,807                             | 183,893                             |
| Avg. TennCare Enrollees                         | 175,865                             | 163,524                             | 142,278                             | 159,850                             |
| Number of grievances                            | 557                                 | 2,354                               | 1,287                               | 18,367*                             |
| Number of malpractice claims                    | 0                                   | 0                                   | 0                                   | 0                                   |
| Number of years in existence                    | 5                                   | 6                                   | 7                                   | 8                                   |
| CSA Regions served                              | Statewide                           | Statewide                           | Statewide                           | Middle TN                           |

Certification/Accreditation

## FINANCIAL HIGHLIGHTS

|   |                |                |               |                |
|---|----------------|----------------|---------------|----------------|
| ASSETS  | \$34,108,345   | \$37,649,378   | \$45,116,929  | \$59,167,190   |
| LIABILITIES   | \$58,461,533   | \$117,575,509  | \$124,849,751 | \$136,196,702  |
| TOTAL NET WORTH                                       | (\$24,353,188) | (\$79,926,131) | (79,732,822)  | (\$77,029,512) |
| NET WORTH REQUIREMENT                                 | \$7,817,742    | \$7,156,119    | \$7,033,436   | \$7,998,884    |
| NET INCOME FROM TENNCARE OPERATIONS                   | (\$26,943,511) | (\$3,883,794)  | \$2,169,592   | \$586,731      |
| NET INCOME FROM OTHER SOURCES                         | \$149,689      | (\$800,193)    | (\$133,144)   | (\$210,921)    |
| TOTAL NET INCOME                                      | (\$26,793,822) | (\$4,683,987)  | \$2,036,448   | \$375,810      |
| MEDICAL AND HOSPITAL EXPENSES FOR TENNCARE OPERATIONS | \$252,823,518  | \$207,853,045  | \$199,232,452 | \$267,270,179  |
| OTHER MEDICAL AND HOSPITAL EXPENSES                   | \$322,336      | \$3,235,266    | \$928,648     | \$54,367       |
| TOTAL MEDICAL AND HOSPITAL EXPENSES                   | \$253,145,854  | \$211,088,311  | \$200,161,100 | \$267,324,546  |
| TENNCARE REVENUE                                      | \$259,558,559  | \$226,600,359  | \$220,307,388 | \$286,356,101  |
| OTHER REVENUE   | \$585,052      | \$3,029,164    | \$919,423     |                |
| TOTAL REVENUE   | \$260,143,611  | \$229,629,523  | \$221,226,811 | \$286,356,101  |
| ADMINISTRATIVE EXPENSE FOR TENNCARE OPERATIONS        | \$33,678,552   | \$30,504,498   | \$23,551,297  | \$24,029,058   |
| OTHER ADMIN EXPENSE                                   | \$530,659      | \$594,091      | \$123,919     | (475)          |

|   |              |               |               |              |
|---|--------------|---------------|---------------|--------------|
| TOTAL ADMIN EXPENSE   | \$34,209,211 | \$31,098,589  | \$23,675,216  | \$24,028,583 |
| FEDERAL TAX EXPENSE   | (\$417,632)  |               |               |              |
| ADJUSTMENTS TO INCOME   |              | (\$7,873,390) | (\$4,645,953) | \$5,372,838  |
| RATIO OF TENNCARE MEDICAL<br>EXPENSE TO TENNCARE REVENUE        | 97%          | 92%           | 90%           | 93%          |
| RATIO OF TENNCARE ADMINISTRATIVE<br>EXPENSE TO TENNCARE REVENUE | 13%          | 13%           | 11%           | 8%           |
| RATIO OF OTHER MEDICAL EXPENSE TO<br>OTHER REVENUE              | 55%          | 107%          | 101%          | N/A          |
| RATIO OF OTHER ADMINISTRATIVE<br>EXPENSE TO OTHER REVENUE       | 91%          | 20%           | 13%           | N/A          |

\*Includes both provider appeals and member appeals.

Note: This information was compiled from unaudited NAIC filings and other unaudited sources.